



STATE OF IOWA
MASTER AGREEMENT

MA# 005 CT2907M 2

EFFECTIVE BEGIN DATE: 04-01-2007
EXPIRATION DATE: 03-31-2008
PAGE: 1 of 5

BUYER : JEANETTE CHUPP
Jeanette.Chupp@iowa.gov
515--28-1-62

FOB FOB Dest, Freight Prepaid

PAYMENT TERMS (%): DAYS:

VENDOR:

McKesson Medical Surgica
8121 10th Ave N

Golden Valley, MN 55427
USA

VENDOR CONTACT:

Therese Mugge
PHONE: 763-595-6133 EXT:
EMAIL: governmentalsales@mckesson.com
VENDOR #: 41126165302

DESCRIPTION OF ITEMS CONTRACTED

Medical Products at MMCAP Pricing

Contract for Medical Supplies, Services and Equipment pursuant to MMCAP Contract M-487(5) as authorized by Layne Nelson, State of Minnesota, phone 651-201-2440 or E-Mail: Layne.Nelson@state.mn.us.

.....
McKesson Medical, MMCAP Contract No. 432344 (copy attached)

Discount Description:

--- Discount schedule(s) shall be applied per on-line ordering site....www.mckesson.com

Payment Terms: Net 30

Delivery: 3 days

Minimum Order: None

Return Policy: 20% re-stocking fee for products returned after 60 days

Freight Charges: FOB Destination (no freight charges invoiced) for regular delivery

Government Sales Contact: Marsha Chevalier at phone 763-595-6927

or 800-328-8111 ext.6927 or FAX 866-310-9325 or E-Mail address: Marsha.Chevalier@redline.mckhboc.com

E-Mail Orders to: governmentalsales@mckesson.com

Local McKesson Sales Representatives include but are not limited to:

-- John Zuber at phone 800-933-4633 or E-Mail: JOHN.ZUBER@mckesson.com

-- Steve Donahue at phone 800-933-4633 ext. 9945 or E-Mail: STEVE.DONAHUE@mckesson.com

-- Jim Loes at phone 800-933-4633 ext. 9910 or E-Mail: JIM.LOES@mckesson.com

-- EXTENDED CARE Representative: Kent Hayek at phone 800-328-8111 ext. 806 or E-Mail: KENT.HAYEK@mckesson.com

RENEWAL PERIODS

FROM 04-01-2008 TO 03-31-2009

THRESHOLDS

MINIMUM ORDER AMOUNT:

MAXIMUM ORDER AMOUNT:

NOT TO EXCEED AMOUNT:

AUTHORIZED DEPARTMENT

ALL

TOTAL \$0.00

VENDOR: _____

APPROVED BY: _____

THIS MA IS SUBJECT TO THE TERMS AND
CONDITIONS ATTACHED HERETO.
PLEASE SEE ATTACHMENTS FOR
FURTHER DESCRIPTIONS.



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LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
1	0.00000		47555	\$0.000000
				\$0.000000
2	0.00000		Medical Examination Equipment and Supplies (Not Otherwise Cl 46548	\$0.000000
				\$0.000000
3	0.00000		Hospital and Surgical Equipment and Accessories (Not Otherwi 345	\$0.000000
				\$0.000000
4	0.00000		FIRST AID AND SAFETY EQUIPMENT AND SUPPLIES (EXCEPT NUCLEAR 475	\$0.000000
				\$0.000000
5	0.00000		HOSPITAL, SURGICAL, AND MEDICAL RELATED ACCESSORIES AND SUND 41003	\$0.000000
				\$0.000000
6	0.00000		Beds and Mattresses, Hospital Specialized: Air Beds, Intensi 41012	\$0.000000
				\$0.000000
7	0.00000		Carts: Dressing, Laboratory, Medication, Patient Tray, Resus 41072	\$0.000000
				\$0.000000
8	0.00000		Tables, Examination; and Accessories 43568	\$0.000000
				\$0.000000
9	0.00000		Skin Cleansers: Emollient, Nonalkaline, etc. 47517	\$0.000000
				\$0.000000
10	0.00000		Catheters and Urinary Drainage Systems, Plastic and Rubber 47534	\$0.000000
				\$0.000000
11	0.00000		Disposal Systems, Nonreusable (For Blades, Hospital Waste Co 46502	\$0.000000
				\$0.000000
12	0.00000		Anesthesia and Respiration Equipment, Hospital: Controls, Ga 4650710	\$0.000000
				\$0.000000
13	0.00000		BLOOD CHEMISTRY EQUIPMENT 46511	\$0.000000
				\$0.000000
14	0.00000		Blood Pressure and Blood Flow Detection Equipment: Dopplers, 46522	\$0.000000
				\$0.000000
15	0.00000		Diagnostic Equipment, Computerized: Plethysmographs, Spirome 46525	\$0.000000
				\$0.000000
16	0.00000		Diagnostic Equipment, Electronic (Not Otherwise Itemized) 46560	\$0.000000
				\$0.000000
17	0.00000		Monitoring Systems, All Types (Hospital and Patient) 4656750	\$0.000000
				\$0.000000
18	0.00000		ORTHOPEDIC EQUIPMENT, MISCELLANEOUS 46582	\$0.000000
				\$0.000000
19	0.00000		Rehabilitation Equipment and Supplies (For Hydrotherapy, Phy 46590	\$0.000000
				\$0.000000
20	0.00000		Sterilizing Equipment, Hospital and Research: Autoclaves and 46595	\$0.000000
				\$0.000000
21	0.00000		Vaporizers, Humidifiers, and Nebulizers (Including Room Size 47509	\$0.000000
				\$0.000000
22	0.00000		Bandages (All Types), Adhesive Tapes, Dressings, Plaster of 47550	\$0.000000
				\$0.000000
			Lancets, Blood	



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LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
23	0.00000		47564	\$0.000000
				\$0.000000
24	0.00000		Paper Goods: Diapers, Medication Blister Cards, Pillow Cases 47574	\$0.000000
				\$0.000000
25	0.00000		Sets, Procedural, Disposable: Catheter Care, Enema, Irrigati 4757713	\$0.000000
				\$0.000000
26	0.00000		BAGS, BIOHAZARD, INFECTIOUS WASTE 47582	\$0.000000
				\$0.000000
27	0.00000		Syringes, Hypodermic and Irrigation (Disposable), and Hypode 4758244	\$0.000000
				\$0.000000
28	0.00000		VACUTAINER NEEDLES, STERILE, DISPOSABLE 47588	\$0.000000
				\$0.000000
29	0.00000		Utensils, Sickroom: Aluminum, Enamelware, Stainless Steel, e 47595	\$0.000000
				\$0.000000
30	0.00000		Vacuum Blood-Collecting Sets (Tubes, Tube-Holders, and Needl 470	\$0.000000
				\$0.000000
31	0.00000		HOSPITAL, NURSING HOME OR RESIDENTIAL SPECIALIZED EQUIPMENT 47013	\$0.000000
				\$0.000000
32	0.00000		Anatomical Braces and Supports: Arm Slings, Back Supports, T 47020	\$0.000000
				\$0.000000
33	0.00000		Commode Chairs and Shower Chairs 47060	\$0.000000
				\$0.000000
34	0.00000		Restraint and Protection Items: Crib Nets, Foam Helmets, Jac 47541	\$0.000000
				\$0.000000
35	0.00000		Gloves and Finger Cots, Medical Type 4754128	\$0.000000
				\$0.000000
36	0.00000		GLOVES, EXAMINATION, DISPOSABLE, LATEX, MEDICAL GRADE, NON-S 4754139	\$0.000000
				\$0.000000
37	0.00000		GLOVES, EXAMINATION, POWDER FREE, SYNTHETIC 4754148	\$0.000000
				\$0.000000
38	0.00000		GLOVES, EXAMINATION, NITRILE, IMPERVIOUS TO BLOOD & BODY FLU 4754150	\$0.000000
				\$0.000000
39	0.00000		GLOVES, EXAMINATION, SYNTHETIC, NON-LATEX, NON-STERILE, LOW 4754155	\$0.000000
				\$0.000000
			GLOVES, EXAMINATION, VINYL, PEEL PACK, STERILE, DISPOSABLE	



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TERMS AND CONDITIONS

Incorporation

The Request for Proposal and/or bid documents for this project and the vendor's proposal in response to the RFP or Bid together with any clarifications, attachments, appendices, or amendments of the State or the Vendor are incorporated into this Contract by reference as if fully set forth in this Contract.

Remedies upon Default

In any case where the vendor has failed to deliver or has delivered non-conforming goods and/or services, the State shall provide a cure notice. The notice to cure shall state the maximum length of time the vendor has to cure. If after the time period stated in the notice to cure has passed, the vendor continues to be in default, the State may procure goods and/or services in substitution from another source and charge the difference between the contracted price and the market price to the defaulting vendor. The State's Attorney General shall be requested to make collection from the defaulting vendor.

Force Majeure

Force majeure includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party affected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. These provisions of force majeure also apply to subcontractors or suppliers of the Vendor. Force majeure does not include financial difficulties of the Vendor or any associated company of the Vendor, or claims or court orders that restrict the Vendor's ability to deliver the goods or services contemplated by this Agreement. Neither the Vendor nor the State shall be liable to the other for any delay or failure of performance of this Agreement caused by a force majeure, and not as a result of the fault or negligence of a party.

Subcontractors

The successful vendor shall be responsible for all acts and performance of any subcontractor or secondary supplier that the successful vendor may engage for the completion of any contract with the State. A delay that results from a subcontractor's conduct, negligence or failure to perform shall not exempt the vendor from default remedies. The successful vendor shall be responsible for payment to all subcontractors and all other third parties.

Termination-Non-Appropriation

Notwithstanding any other provision of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the State to appropriate funds, discontinuance or material alteration of the program for which funds were provided, then the State shall have the right to terminate this contract without penalty by giving not less than thirty (30) days written notice documenting the lack of funding, discontinuance or program alteration.

Immunity of State/Fed Agencies

The vendor shall defend and hold harmless the State and Federal funding source for the State of Iowa from liability arising from the vendor's performance of this contract and the vendor's activities with subcontracted and all other third parties.

Assignment

Vendors may not assign contracts or purchase orders to any party (including financial institutions) without written permission of the General Services Enterprise - Purchasing.

Anti-Trust Assignment

For good cause and as consideration for executing this purchase order, the vendor, through its duly authorized agent, conveys, sells, assigns, and transfers to the State of Iowa all rights, title and interest in and to all causes of action it may now or hereafter acquire under the anti-trust laws of the United States and the State of Iowa, relating to the particular goods or services purchased or acquired by the State of Iowa pursuant to the using State of Iowa agency.

Delivery and Acceptance

When an award has been made to a vendor and the purchase order issued, deliveries are to be made in the following manner.

A. Deliveries - All deliveries are to be made only to the point specified on the purchase order. If delivery is made to any other point, it shall be the responsibility of the vendor to promptly reship to the correct location. Failure to deliver procured goods on time may result in cancellation of an order or termination of a contract at the option of the State.

B. Delivery Charges - All delivery charges should be to the account of the vendor whenever possible. If not, all delivery charges should be prepaid by vendor and added to the invoice.

C. Notice of Rejection - The nature of any rejections of a shipment, based on apparent deficiencies disclosed by ordinary methods of inspection, will be given by the receiving agency to the vendor and carrier within a reasonable time after delivery of the item, with a copy of this notice to the General Services Enterprise - Purchasing. Notice of latent deficiencies which would make items unsatisfactory for the purpose intended may be given by the State of Iowa at any time after acceptance.

Delivery and Acceptance (cont)

D. Disposition of Rejected item - The vendor must remove at the vendor's expense any item rejected by the State. If the vendor fails to remove that rejected item, the State may dispose of the item by offering the same for sale, deduct any accrued expense and remit the balance to the vendor.

E. Testing After Delivery - Laboratory analysis of an item or other means of testing may be required after delivery. In such cases, vendors will be notified in writing that a special test is being made and that payment will be withheld until completion of the testing process.

Title to Goods

The vendor warrants that the goods purchased hereunder are free from all liens, claims or encumbrances.

Indemnification

To the extent that goods are not manufactured in accordance with the State's design, the vendor shall defend, indemnify and hold harmless the State of Iowa, the State's assignees, and other users of the goods from and against any claim of infringement of any Letter Patent, Trade Names, Trademark, Copyright or Trade Secrets by reason of sale or use of any articles purchased hereunder. The State shall promptly notify the vendor of any such claim.

Nondiscrimination

The vendor is subject to and must comply with all federal and state requirements concerning fair employment and will not discriminate between or among them by reason of race, color, religion, sex, national origin or physical handicap.

Warranty

The vendor expressly warrants that all goods supplied shall be merchantable in accordance with the Uniform Commercial Code, Section 2-314 and the Iowa Code, Section 554.2314.

Taxes



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The State of Iowa is exempt from the payment of Iowa sales tax, motor vehicle fuel tax and any other Iowa tax that may be applied to a specified commodity and/or service. Contractors performing construction activities are required to pay state sales tax on the cost of materials. The Iowa Department of Revenue exemption letter will be furnished to a vendor upon request.

Hazardous Material

All packaging, transportation, and handling of hazardous materials shall be in accordance with applicable federal and state regulations including, but not limited to, the Material Safety Data Sheet provision of O.S.H.A. Hazard Communication Standard 29CFR 1910.1200, and Iowa Administrative Code, Chapter 567.

Public Records

The laws of the State of Iowa require procurement records to be made public unless exempted by the Code of Iowa.

Miscellaneous

The terms and provisions of this contract shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with this contract shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. If however, jurisdiction is not proper in Polk County District Court, the action shall only be brought in the United States District Court for the Southern District of Iowa, Central Division, providing that jurisdiction is proper in that forum. This provision shall not be construed as waiving any immunity to suit or liability, which may be available to the State of Iowa.

If any provision of this contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable.

Records Retention

The vendor shall maintain books, records, and documents which sufficiently and properly document and calculate all charges billed to the State of Iowa throughout the term of this Agreement for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. The vendor shall at, no charge, permit the Auditor of the State of Iowa, or any authorized representative of the State (or where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government) to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records, or other records of the vendor relating to orders, invoices, or payments documentation or materials pertaining to this Agreement.

Independent Contractor

The vendor is an independent contractor performing services for the State of Iowa, and as such shall not hold itself out as an employee or agent of the State.

Performance Monitoring

For all service contracts, the requirements of Iowa Code sections 8.47 shall be incorporated into final terms and conditions of the contract.

Admin Minnesota

Materials Management Division

Room 112 Administration Bldg., 50 Sherburne Ave., St. Paul, MN 55155; Phone: 651.296.2600, Fax: 651.297.3996
For TTY/TDD communication, contact us through the Minnesota Relay Service at 1.800.627.3529.

CONTRACT RELEASE: M-487(5)

DATE: September 05, 2007

PRODUCT/SERVICE: MEDICAL SUPPLIES, SERVICES AND EQUIPMENT

CONTRACT PERIOD: APRIL 1, 2004 TO MARCH 31, 2008

EXTENSION OPTIONS: One Year

ACQUISITION MANAGEMENT SPECIALIST: LAYNE NELSON

PHONE: 651.201.2440 **E-MAIL:** layne.nelson@state.mn.us **WEB SITE:** www.mmd.admin.state.mn.us

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>DELIVERY</u>
PHYSICIANS SALES & SERVICE (PSS) 12999 Wilfred Lane, Suite 250 Rogers, MN 55374	432345 VENDOR NO.: 031872001 00	NET 30	3 DAYS ARO FOB Destination

MN CONTACT: Eric Kindgren **PHONE:** 763.428.2388 **TOLL-FREE:** 800.755.2203 **FAX:** 763.428.9105

MMCAP Members: Go to www.mypss.com follow links to your distribution center location and ask for Sales Leader.

Corporate Contact: Ed Burleson **E-mail:** eburleson@pssd.com **PHONE:** 904.332.3159 **FAX:** 860.767.9453
Corporate Address: PSS World Medical 4345 Southpoint Blvd, Jacksonville, FL 32216

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>DELIVERY</u>
MCKESSON MEDICAL 8121 10 th Ave North Golden Valley, MN 55427	432344 VENDOR NUMBER 189100000 00	Net 30	3 DAYS ARO www.mckesson.com

GOVERNMENT SALES PHONE: 800.328.8111 **FAX:** 866.310.9325

SALES CONTACT: Marsha Chevalier **PHONE:** 800.328.8111 Ext 6927 **LOCAL:** 763.595.6927
Email Order: governmentsales@mckesson.com **Or Info:** Marsha.Chevalier@redline.mckhboc.com

SCOPE. This Contract is to provide medical supplies to State agencies, CPV members and MMCAP participants.

CONTRACT USERS. This Contract is available to State agencies, members of the State's Cooperative Purchasing Venture (CPV) program, and Minnesota Multistate Contract Alliance for Pharmacy (MMCAP) members at the same prices, terms, and conditions.

STATE AGENCY CONTRACT USE. This Contract must be used by State agencies unless a specific exception is granted by the Acquisition Management Specialist listed above.

ORDERING INSTRUCTIONS. Orders are to be placed directly with the Contract Vendor. Minnesota State agencies should use a contract release order (CRO) or a blanket purchase order (BPC). The person ordering should include his or her name and phone number. CPV and MMCAP members should use their own ordering procedures. MMCAP members are to contact the local customer service number in their area.

SPECIAL TERMS AND CONDITIONS

PRICES: Prices are firm through the first year. After that period, prices may increase once a year. Price increases are not effective until they are approved by the AMS. **NOTE:** At no time should the ordering entity pay more than the Contract price. Agencies must contact the AMS immediately and fill out a Vendor Performance Report if there is a discrepancy between the price on the invoice and the Contract price.

DELIVERY: Same day if ordered by 10:30 a.m. within 100 miles of a distribution facility, otherwise next day.

PRODUCT SUBSTITUTION: Distributor will not in any way cause, condone, or encourage the purchase substitution of an MMCAP facility-ordered product without the approval of the ordering MMCAP facility.

CUSTOMER SERVICE: Distributor has a customer service department at a toll-free number available to all MMCAP facilities for stock checks, product, or general information requests.

DEFAULT OF VENDOR: If an MMCAP facility has an immediate need for a product that distributor is unable to supply, the facility may buy an identical product on the open market. If the inability to supply exceeds 10 working days and is the fault of distributor, the MMCAP facility will deduct any excess cost resulting from an open market purchase as a credit from distributor's invoice. Note: It is distributor's responsibility to demonstrate that a backorder is the fault of the manufacturer and not distributor. Distributor may substitute with the MMCAP facility's permission.

UNIFORMITY OF OFFER: The Contract is not a limitation of distributor's ability to offer special discounts for periodic high-volume and equipment purchases.

PURCHASE ORDER NUMBER ASSIGNMENT: Ordering systems will allow for the input of an individual purchase order number, assigned by the MMCAP facility, for each order submitted.

TOLL-FREE ORDER TRANSMISSION: Distributor will provide toll-free order transmission service to all MMCAP facilities.

ADDITIONAL SERVICES: Distributor will make all services and products not mentioned in the RFP that are available to general customers, available to all MMCAP facilities.

DELIVERY REFUSALS: Distributor will at no time refuse to deliver to any MMCAP facility without notification to the MMCAP Office.

SPECIAL HANDLING: Distributor will provide all legally required documentation and special handling/packaging for transport of hazardous materials from Distributor to the using MMCAP facility.

DELIVERY SITES: Distributor will deliver to a single mutually agreeable site at each MMCAP facility. Upon the majority agreement of the MMCAP facility, MMCAP Office, and Distributor additional delivery sites may be added at an MMCAP facility.

CONTRACT CHANGES: Distributor can not make changes to the Contract with regard to price, manufacturer, or product without written approval from the MMCAP Office. Distributor will enter MMCAP Contract changes (additions, deletions, price changes, etc.) into the ordering system software of all distribution centers within 10 business days of the receipt of the MMCAP documents listing the products changes.

REMOVAL OF PRODUCTS: Distributor will not remove any MMCAP product from its ordering system without notifying the MMCAP Office in writing and receiving MMCAP approval in writing.

MAINTENANCE SERVICE LEVEL: Excluded from the service level calculations are items backordered or otherwise unavailable from the manufacturer, items not normally stocked by the responsible distribution center, partially filled lines (greater than 50 percent of the quantity ordered) which are reordered and completely filled within two days, and documented order-filling errors. Distributor will supply maintenance service level information upon the request of the MMCAP Office or MMCAP facilities.

ADMINISTRATIVE FEE CREDIT: Distributor will pay an administrative fee on all purchases (minus any credits) by MMCAP facilities. Distributor will submit a summary of all business transacted quarterly under the Contract, along with a check payable to the State of Minnesota Cooperative Purchasing Venture Revolving Fund for an amount equal to 0.5 percent of MMCAP total invoice sales to the MMCAP office. The administrative fee will be paid within 45 days after the end of each quarter.

MANUFACTURER CONTRACTS: MMCAP reserves the right to negotiate or contract with manufacturers to establish pricing for products. In the event this occurs, Distributor will supply the products to MMCAP facilities and the final acquisition cost will be no greater than the established MMCAP manufacturer negotiated or contracted price, plus the Distributor contracted service fee.

FEES/PRICING

SERVICE FEE: A single service fee will be added to all items delivered by Distributors.

PSS service fee 8.9%.

McKesson service fee 5%.

PRODUCTS: Distributor will provide products at the prices established, plus Distributor's service fee. Prices changes will be sent to State Contacts and posted on the MMCAP as they occur. The list of products may change to accommodate the needs of MMCAP facilities. (Product/Price lists include all service fees)

GENERAL DISCOUNT: Distributors have provided a discount for all manufacturers. For all manufacturers not listed in the contract file the general discount is 5 percent for PSS and 10% for McKesson off MSRP (See manufacturer discount list) the service fee is included in all discounts offered. (Updated annually for catalog year)

SERVICES/PARTS: PSS has provided a list of all other available services (e.g., equipment repair and calibration, JACHO, CEU credits, product training, etc.). The hourly rate for labor is \$95.00; the discount for parts is 10%.

BARCODE: SmartScan Bar codes to be used with www.MyPSS.com is available for a one time charge of \$200.00 for SmartScan starter kit (includes one scanner) Additional or replacement scanners if needed are \$150.00

II. CUSTOMER SERVICE

A Distributor representative will closely monitor the start-up phase of the Contract and provide visits to each MMCAP facility as required. Training will be provided to MMCAP facility personnel on the use of the Contract, ordering procedures, management report usage, and any other in-service education programs determined necessary by the MMCAP facility.

Distributor will assign a contact person for MMCAP Office staff relating to the Contract.

Distributor will assign a contact person for MMCAP facilities at each distribution center. The contact person will be at a management/administrative level and have the responsibility, experience, knowledge, and authority to respond to questions and solve operational problems presented by the MMCAP facilities. The contact person's office will be in the distribution center and be readily accessible to MMCAP facilities via toll-free phone line, fax, or e-mail during the business day. The contact person will respond to any question, problem, request, etc., on the same working day it is presented.

Distributor will have knowledgeable customer service representatives who will make on-site visits on a schedule established or requested by the individual MMCAP facilities.

III. ORDER PLACEMENT

Distributor will provide an ordering system/method to each MMCAP facility that allows the option to quickly and accurately order products within the current and future technological capabilities of that facility. The status of each order will be sent to each MMCAP facility on the day the order is placed. The line sequence of such status will match the line sequence of the MMCAP facility's purchase order.

IV. DELIVERY

Distributor has sufficient distribution centers to assure prompt and effective delivery of standard and emergency product deliveries to all MMCAP facilities regardless of location and volume.

Distributor will provide a daily order and delivery schedule (Monday through Friday). At a minimum, Distributor will deliver complete orders the next business day. The ordering and delivery schedules will provide late in the day order submission and next-day delivery. A same-day delivery option may be available.

Distributor will establish an emergency ordering procedure that the MMCAP facility can utilize to secure hospital and medical supplies by the most expeditious means available. Distributor provides a 24-hour a day, seven day a week, toll-free telephone number to be used to initiate an emergency order. Customer will be responsible for any special shipping charges when requested by the end user, for example overnight or 2nd Day UPS. Distributor will notify the customer before these charges are incurred. Emergency delivery requiring same day delivery requested by the customer will be charged actual freight incurred by the carrier. WE DO NOT PAY FOR Distributor FAILURE TO STOCK NORMALLY ORDERED ITEMS.

V. MMCAP REPORTS

Usage Reports are available at the contract distributor local branch for the end user upon request. Quarterly reports are sent to MMCAP office.

VI. INVENTORY MANAGEMENT

Distributor will provide an inventory of contracted products sufficient to meet the needs of the MMCAP facilities from the beginning of the contracting period.

In the event a distribution center is out of stock of an MMCAP-contracted product, Distributor will supply the requested product by the most expeditious means possible.

Distributor will supply only products having a shelf life of greater than six months unless the unique properties of a particular product require shorter dating or upon the approval of the MMCAP facility.

PSS return goods policy:

1. All returns must be picked up within five working days of notification by the MMCAP facility or at the next delivery, whichever is sooner. Notification is defined as verbal notification, written notification or by electronic means.
2. No restocking charges will be imposed on the return of wrong product, ordered in error and short dating orders.
3. Recalled products: pickup will be within five working days from the date of notification or at the next delivery, whichever is sooner, or as specified in the recall notice.
4. Defective products: pickup will be within five working days from notification of the defect or at the next delivery, whichever is sooner.
5. Damaged products refused on receipt of delivery: the MMCAP facility will notify Distributor of the damaged product. Distributor will replace the damaged product within 24 hours, upon reorder by the MMCAP facility.
6. All credits will be issued within 10 working days of the return of the goods. MMCAP reserves the right to deduct from the invoice all credits that were not issued 10 working days after the return of the goods.
7. Distributor offers instant credits. When a product is returned to the Distributor driver, he or she issues a credit voucher immediately to the purchaser. The information, as well as the product, is processed the same day to credit the account.
8. Return Policy on special order items includes a fee equal to the manufacturers restocking charge.

McKesson Return Policy:

1. Returned products must be in saleable condition, be in original package, in full sale unit of measure and product must not be defaced, i.e., handwriting. Products returned after 60 days and up to one year after sale will be assessed a 20% restocking fee. Return freight charges will be deducted from the credit amount, except in cases of McKesson's error. Special orders may not be returned for credit.
2. There are no restocking fees imposed for Vendor errors, but McKesson reserves the right to charge a shipping fee for those products refused by customers returned due to customer order error.
3. McKesson will make every effort to contact customers that have ordered an item that is recalled by the manufacturer. A return will be issued and the item will be picked up as quickly as possible or at the next scheduled delivery day.
4. Products found to be defective the item will be picked up as quickly as possible or at the next delivery day.
5. Products damaged in transit and/or refused by MMCAP facility, McKesson will replace the item as quickly as possible and deliver with the next scheduled standard delivery. Emergency replacements can be requested and will be determined by McKesson and MMCAP facility.
6. Credits for returned products will be reflected on the next business cycle from the date the product is received back by McKesson. MMCAP facilities may determine on which charges to apply the credits.
7. Whenever possible a McKesson fleet truck will pick up returns. Some pick ups are scheduled by common carrier, such as UPS, and are subject to their procedures and policies.

VII. HOSPITAL AND MEDICAL SUPPLIES AND SERVICES CONTRACT PARTICIPATION

Distributor understands that the major factor in contract participation and increased sales volume is the quality of the product and pricing provided to MMCAP facilities. Distributor will continuously negotiate with manufacturers to obtain improved MSRP discounts and must extend the improved pricing to MMCAP Facilities. Distributor will work to establish product standardization wherever practical.

REVISIONS:

03/21/06 Contract extended 12 months for both PSS and McKesson. Phone number change for AMS, Usage report notice to end user they are available from contract distributor local branch upon request. Miscellaneous

05/17/06 Changes to vendor contact information and minor corrections only

07/12/06 Price decrease for PSS SMARTSCAN bar code reader

12/15/06 Contract extension PSS and McKesson Fax number update McKesson

09/05/08 New Sales Contact for McKesson from Therese Mugge to Marsha Chevalier